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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	91215674
Party	Defendant Sunrise Apparel Group, LLC
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Signature	/s/ Paul A. Bost
Date	01/20/2015
Attachments	Opp and Answer - Class 16.pdf(82408 bytes)

Docket No. 30GL-192270

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

In re Matter of Application Serial No. 85/587,638 for the trademark HINT in Class 16 Hint Incorporated, Opposer, v. Sunrise Apparel Group, LLC, Applicant.	Opposition Nos.: 91-215674 **APPLICANT SUNRISE APPAREL GROUP, LLC'S OPPOSITION TO OPPOSER HINT, INC.'S MOTION FOR DEFAULT JUDGMENT; APPLICANT'S REQUEST THAT ITS LATE-FILED ANSWER BE ACCEPTED; DECLARATION OF PAUL A. BOST**

I. INTRODUCTION

Applicant Sunrise Apparel Group, LLC ("Applicant") opposes Opposer Sunrise Apparel Group, LL's ("Opposer") motion for default judgment on the grounds that it has good cause for not filing an Answer to the Notice of Opposition. As set forth in greater detail below, Applicant did not willfully refuse to file an Answer in this proceeding. Instead, Applicant was justifiably and sincerely mistaken in its belief that this proceeding was suspended given its pending, unopposed motion for consolidation and the parties' agreement to a series of suspensions in their other proceedings pending before the Board (the "Consolidated Proceedings").[1] Likewise, Opposer has been on notice of Applicant's intention to contest the allegations made by Opposer in its Notice of Opposition, as said allegations are largely identical to those at issue in the Consolidated Proceedings and which Applicant has denied in its Answers filed in those proceedings. Opposer has not complained – and cannot complain – of any prejudice it will suffer if the Board allows this matter to be resolved on the merits, which, as it is well established, is strongly preferred over the entry of default judgment. Also, Opposer cannot simultaneously

[1] Opposition Nos. 91-212519 (parent), 91-212521, and 91-212522.

seek to strictly enforce the Board's deadlines against Applicant when it has failed to abide by the Board's deadlines in the Consolidated Proceedings.

Lastly, Applicant requests the Board's acceptance of its attached late-filed Answer (Bost Decl. ¶ 2, Ex. A), renews its request that this proceeding be consolidated with the Consolidated Proceedings, and joins in Opposer's request to reset the deadlines to allow the parties to conduct discovery.

II. STATEMENT OF RELEVANT FACTS

A. The Consolidated Proceedings

On September 16, 2013, Opposer filed Notices of Opposition against various of Applicant's applications to register the mark HINT: (1) Serial No. 85/587,640 for "Handbags; wallets; key chains of leather or imitation" in Class 18; (2) Serial No. 85/587,642 for "Clothing, namely, scarves, socks, and lingerie; and footwear " in Class 25; and (3) Serial No. 85/587,643 for "Hair accessories, namely, hair ties, hair scrunchies, hair combs, decorative bobby pins, hair barrettes, hair clips, ornaments for the hair, ponytail holders, and hair ribbons" in Class 26. Opposer filed Answers to each of these Notices of Opposition, which, in general, denied Opposer's material allegations and claims and set forth affirmative defenses.

On January 29, 2014, Applicant moved to consolidate these proceedings (Opposition No. 91-212519, Docket No. 10.) On February 3, 2014, the Board granted Applicant's motion to consolidate and re-set the deadlines for the Consolidated Proceedings. (Opposition No. 91-212519, Docket No. 11.)

On February 13, 2014 and April 11, 2014, Opposer, with Applicant's consent, filed motions to suspend the Consolidated Proceedings given the parties' settlement discussions. (Opposition No. 91-212519, Docket Nos. 13 and 14.) The Board never ruled on these motions. On August 21, 2014, Opposer, with Applicant's consent, filed a motion to extend deadlines in the Consolidated Proceedings given the parties' settlement discussions. (Opposition No. 91-212519, Docket No. 17.) Again, the Board never ruled on this motion.

Opposer did not serve any discovery on Applicant prior to the expiration of the discovery deadline in the Consolidated Proceedings – July 12, 2014 – but, instead, served its first set of discovery requests and its Initial Disclosures on December 29, 2014, five months after the deadline. (Bost Decl. ¶ 3.)

B. The Instant Notice of Opposition Proceeding

On March 31, 2014, Opposer filed additional Notices of Opposition against various of Applicant's applications to register the mark HINT: (1) Serial No. 85/587,633 for "Metal key chains" in Class 6; (2) Serial No. 85/587,638 for "Diaries; note pads; pencils; pens" in Class 16; and (3) Serial No. 85/587,641 for "Picture frames; plastic key chains" in Class 20.

On May 13, 2014, Opposer, with Applicant's consent, filed a motion to suspend given the parties' settlement discussions, which motion the Board granted. (Docket Nos. 4, 5.) Prior to its re-set deadline to file its Answer, Applicant filed a motion to consolidate these proceedings with the Consolidated Proceedings. (Docket No. 6.) Opposer did not file an opposition to Applicant's motion, which is still pending.

On December 29, 2014, without any prior notification to Applicant, filed the instant motion for default judgment. (Bost Decl. ¶ 3.)

III. THE MOTION FOR DEFAULT JUDGMENT SHOULD BE DENIED

It is well established that "the Board [is] reluctant to grant judgments by default and tend to resolve doubt in favor of setting aside a default, since the law favors deciding cases on their merits." *See Paolo's Associates Ltd. Partnership v. Bodo*, 21 U.S.P.Q.2d 1899, 1902 (Comm'r Pats. 1990), relying on *Morris v. Charnin*, 85 F.R.D. 689 (S.D.N.Y. 1980). Good cause to deny a motion for default judgment or, alternatively, discharge a default "is usually found . . . if the delay in the filing is not the result of willful conduct or gross neglect on the part of the defendant, if the delay will not result in substantial prejudice to the plaintiff, and if the defendant has a meritorious defense." *Fred Hayman Beverly Hills Inc. v. Jacques Bernier Inc.*, 21 U.S.P.Q.2d 1556, 1557 (TTAB 1991), relying on *Heleasco Seventeen, Inc. v. Drake*, 102 F.R.D. 909 (D. Del. 1984). In this context, "all that is necessary to establish a 'meritorious defense' . . . is a plausible

response to the allegations contained in the notice of opposition." *DeLorme Publishing Co. v. Eartha's Inc.*, 60 U.S.P.Q.2d 1222, 1224 (TTAB 2001). In fact, it has been held that failing to set aside a default when the above criteria are established constitutes an abuse of discretion. *See Bodo*, 21 U.S.P.Q2d at 1901, citing *Heleasco*, 102 F.R.D. at 917.

In this case, Applicant's failure to file a timely Answer is not the result of willful conduct or gross neglect but simple mistake. *See Djeredjian v. Kashi Co.*, 21 U.S.P.Q.2d 1613, 1615 (TTAB 1991) (trademark cancellation respondent's "failure to act in this case was not willful, but rather resulted from mistake and inadvertence.") At the time Applicant's Answer was due, Applicant's motion for consolidation was pending, and, in the Consolidated Proceedings, Applicant's motion to amend its Answers and Opposer's motions to suspend the Consolidated Proceedings were pending. Also, Applicant had already filed three separate Answers in the Consolidated Proceedings. Quite clearly, given the pending motions and the responsive pleadings already filed in the Consolidated Proceedings, Applicant was mistaken as to the status of this proceeding, which it mistakenly believed was suspended, and its deadline to file its Answer. Had it realized that its Answer was past due or been notified of the same by Opposer (who communicated with Applicant on numerous occasions after Applicant's Answer was past due [Bost Decl. ¶ 4]), Applicant would have promptly requested leave to file a late-filed Answer (as it does here). Applicant simply did not realize that its Answer was past due; it did not willfully refuse to file it.

This is not a case where Applicant was served with the Notice of Opposition and "did nothing." *See DeLorme*, 60 U.S.P.Q.2d at 1223-24 ("Notwithstanding applicant's admitted receipt of a pleading the Board obviously processed as a notice of opposition and a trial order for this proceeding, applicant elected to take no action for six months . . . the facts here clearly indicate that applicant consciously chose to ignore the notice of opposition it received along with the Board's institution letter and trial order.") On the contrary, Applicant actively engaged in the proceeding by negotiating settlement terms with Opposer, entering a stipulation with Opposer to suspend the deadlines in order to discuss settlement, and filing a motion to consolidate prior to

its deadline to file its Answer. Applicant filed Answers in the Consolidated Proceedings, and in its motion to consolidate filed in this proceeding, Applicant expressly stated it "will defend each new Opposition in substantially the same manner [as it has in the Consolidated Proceedings] and will assert the same or similar affirmative defenses in each answer filed in the Opposition." (Docket No. 6, p. 2.) All of the foregoing is indicative Applicant's "inten[t] at all times to pursue this opposition." *Fred Hayman*, 21 U.S.P.Q.2d at 1557.

Applicant has a "meritorious defense" – as that term is elucidated in *DeLorme* – to Opposer's allegations, as set forth in its attached Answer. Applicant denies Opposer's material allegations of likelihood of confusion and dilution, and has raised affirmative defenses, including Applicant's contention that a likelihood of confusion is avoided if Application's identification of goods is restricted so that the recited goods are "sold only through one national retail clothing, footwear, headwear, and accessories store owned by Vanity Shop of Grand Forks, Inc. or its assigns which has brick and mortar stores and an e-commerce website."

Also, Opposer has not alleged – and cannot allege – that it will be prejudiced if Applicant is allowed to file its Answer so that the parties can obtain a disposition of this dispute on the merits. Previously, this Board has ruled that costs associated with filing motions related to the defendant's failure to timely answer and delayed satisfaction or adjudication of plaintiff's claim is not sufficient to establish prejudice. *See Bodo*, 21 U.S.P.Q.2d at 1904, citing *General Tire & Rubber Company v. Olympic Gardens, Inc.*, 85 F.R.D. 66, 70 (E.D. Penn. 1979) and *Kleckner v. Glover Trucking Corporation*, 103 F.R.D. 553, 556 (M.D. Penn. 1984).

Finally, Opposer's position that default judgment should be entered against Applicant is at odds with Opposer's own failure to observe the deadlines in the Consolidated Proceedings. Opposer has not strictly observed the deadlines in the Consolidated Proceeding, but, instead, recently served discovery on Applicant in the Consolidated Proceedings five months past the discovery deadline. Accordingly, Opposer is apparently taking the position that the deadlines in the Consolidated Proceedings have been extended and re-set on numerous occasions despite the Board not yet ruling on the motions requesting said extensions. Yet Opposer demands

Applicant's strict compliance with the deadlines set by the Board in this proceeding. Opposer's contradictory position undercuts its position and is yet another reason to deny its motion.

IV. THE BOARD SHOULD ACCEPT APPLICANT'S LATE-FILED ANSWER

There being good cause why default judgment should not be entered against Applicant, the Board should accept Applicant's late-filed Answer, attached hereto as Exhibit A, pursuant to TBMP § 312.

V. OPPOSER HAS TACITLY AGREED TO CONSOLIDATION OF THE INSTANT PROCEEDING WITH THE CONSOLIDATED PROCEEDINGS

Opposer did not file an opposition – timely or otherwise – to Applicant's motion for consolidation and has not raised any arguments against consolidation in its motion for default judgment. Applicant agrees with Opposer that "it is in both parties' interests for the opposition dates to be reset" and joins in its request "that all deadlines be reset in the consolidated proceeding in order to allow time for proper discovery to be conducted by the parties." (Motion, pp. 2-3.)

VI. CONCLUSION

Because Applicant has established good cause for not timely filing its Answer, Opposer's motion for entry of default judgment should be denied and the Board should accept Applicant's attached Answer. Further, the Board should consolidate this proceeding – and its constituent proceedings – with the Consolidated Proceedings and reset all deadlines therein, including the deadline to conduct discovery.

Respectfully submitted,

Dated: January 20, 2015

/Jill M. Pietrini/

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DECLARATION OF PAUL A. BOST

I, Paul A. Bost, declare as follows:

1. I am an attorney duly licensed to practice before the Board and I am an associate in the law firm of Sheppard Mullin Richter Hampton, LLP, counsel of record for Applicant in this matter. I have personal knowledge of the facts set forth in this declaration and if called to testify, I could and would testify competently thereto.

2. Attached hereto as **Exhibit A** is a true and correct copy of Applicant's proposed Answer in the instant proceeding.

3. On December 29, 2014, Jill Pietrini, counsel for Applicant in this matter, received a letter from counsel for Opposer enclosing the instant motion for default judgment. Prior to sending the letter, Opposer had never indicated to Applicant that it intended to file a motion for default judgment or seek entry of default judgment against Applicant. In its December 29, 2014 letter, Opposer's counsel also included its first set of discovery requests and Initial Disclosures in the Consolidated Proceedings. These are the first discovery requests that Opposer has served in the Consolidated Proceedings.

4. Since August 10, 2014, the date its Answer was due, counsel for Applicant and Opposer have corresponded on many occasions. Notably, on September 17, 2014, the parties conducted their discovery conference in the Consolidated Proceedings. During these communications, Opposer never indicated to Applicant that it intended to file a motion for default judgment or seek entry of default judgment against Applicant or even informed Applicant that its Answer was past due given the Board not yet ruling on the various motions pending.

I declare all of the foregoing under the penalty of perjury under the laws of the United States of America.

Executed this 20th day of January, 2015 in Los Angeles, California.

/s/Paul A. Bost
Paul A. Bost

EXHIBIT A

Docket No. 30GL-192270

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

In re Matter of Application Serial No. 85/587,638 for the trademark HINT in Class 16 Hint Incorporated, Opposer, v. Sunrise Apparel Group, LLC, Applicant.	Opposition Nos.: 91-215674 **ANSWER TO NOTICE OF OPPOSITION**

Applicant Sunrise Apparel Group, LLC, ("Applicant"), by and through its counsel, responds to the Notice of Opposition ("Opposition") filed by Opposer Hint, Incorporated ("Opposer") as follows:

In response to the preliminary paragraph of the Opposition, Applicant admits that it filed Application Serial No. 85/587,638 for the trademark HINT in Class 16, but denies that Opposer will be damaged by the application or its registration. Applicant lacks sufficient information or belief to admit or deny any remaining allegations contained in the preliminary paragraph of the Opposition, and therefore denies each and every such allegation.

1. Applicant admits that the allegations contained in paragraph 1 of the Opposition.

2. In response to paragraph 2 of the Opposition, Applicant admits only that it filed Application Serial No. 85/587,638 for the goods stated therein. Applicant denies each and every remaining allegation therein.

3. Applicant admits that the allegations contained in paragraph 3 of the Opposition.

4. Applicant lacks sufficient information or belief to admit or deny the allegations contained in paragraph 4 of the Opposition, and therefore denies each and every such allegation.

5. Applicant lacks sufficient information or belief to admit or deny the allegations contained in paragraph 5 of the Opposition, and therefore denies each and every such allegation.

6. Applicant lacks sufficient information or belief to admit or deny the allegations contained in paragraph 6 of the Opposition, and therefore denies each and every such allegation.

7. Applicant lacks sufficient information or belief to admit or deny the allegations contained in paragraph 7 of the Opposition, and therefore denies each and every such allegation.

8. Applicant lacks sufficient information or belief to admit or deny the allegations contained in paragraph 8 of the Opposition, and therefore denies each and every such allegation.

9. Applicant admits that it filed its Application, Serial No. 85/587,638 on April 3, 2012 based on an intent to use the mark, but denies the remaining allegations contained in paragraph 9 of the Opposition.

10. Applicant denies the allegations contained in paragraph 10 of the Opposition.

11. Applicant lacks sufficient information or belief to admit or deny the allegations contained in paragraph 11 of the Opposition, and therefore denies each and every such allegation.

12. Applicant denies the allegations contained in paragraph 12 of the Opposition.

13. Applicant lacks sufficient information or belief to admit or deny the allegations contained in paragraph 13 of the Opposition, and therefore denies each and every such allegation.

14. Applicant denies the allegations contained in paragraph 14 of the Opposition.

15. Applicant denies the allegations contained in paragraph 15 of the Opposition.

16. Applicant denies the allegations contained in paragraph 16 of the Opposition.

17. Applicant denies the allegations contained in paragraph 17 of the Opposition.

18. Applicant states that the allegations in the last unnumbered paragraph of the Opposition state a legal conclusion to which no response is required and therefore denies each and every such allegation.

AFFIRMATIVE DEFENSES

First Affirmative Defense – Failure To State A Claim

19. Opposer has failed to allege grounds sufficient to sustain the Opposition.

Second Affirmative Defense – Estoppel

20. The Opposition is barred by estoppel.

Third Affirmative Defense – Acquiescence

21. The Opposition is barred by Opposer's acquiescence.

Fourth Affirmative Defense – Waiver

22. The Opposition is barred by the doctrine of waiver.

Fifth Affirmative Defense – Laches

23. The Opposition is barred by the doctrine of laches.

Sixth Affirmative Defense – Lack of Rights

24. Opposer does not have trademark rights in HINT.

Seventh Affirmative Defense – Third Party Use

25. Opposer's rights, if any, to the trademark HINT are weakened by the third party use, including but not limited to:

Mark	Register	Class	Reg. No.
MAYALAND COFFEE AZUL SWEET, BALANCED WITH HINTS OF TROPICAL	Federal	30	4,359,879

Mark	Register	Class	Reg. No.
FRUIT MEDIUM ROAST WHOLE BEAN MAYALAND COFFEE			
HINT OF LACE	Federal	25	4,007,661
HINT OF SALT	Federal	30	3,880,392
GET THE HINT	Federal	18, 25	4,183,495
BAILEYS WITH A HINT OF MINT CHOCOLATE IRISH CREAM R A BAILEY	Federal	33	3,429,423
BAILEYS WITH A HINT OF CARAMEL IRISH CREAM R A BAILEY	Federal	33	3,429,424
HINT OF SKIN	Federal	25	3,134,345
HINT MINT	Federal	30	2,470,558
HINT OF ORANGE	Federal	30	2,083,543
HINT OF MINT	Federal	30	1,516,590
PORTLAND BREWING 1339 OREGON HONEY BEER BREWED WITH REAL HONEY BLONDISH GOLD AND LIGHT BODIED, OHB OFFERS A HINT OF HONEY FLAVOR WITH A CRISP, DRY FINISH	State (Oregon)	32	100,261

Applicant will identify other third party HINT marks for goods in Class 16 or for goods and services related thereto in discovery.

Eighth Affirmative Defense – Restricted Identification of Goods, 15 U.S.C. § 1068, 37 C.F.R. § 2.133(b)

26. A likelihood of confusion is avoided if the Application's identification of goods is restricted so that the recited goods are "sold only through one national retail clothing, footwear, headwear, and accessories store owned by Vanity Shop of Grand Forks, Inc. or its assigns which has brick and mortar stores and an e-commerce website."

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/ / /

WHEREFORE, Applicant respectfully requests that the Opposition be dismissed with prejudice, and that the prayer for relief contained therein be denied.

Respectfully submitted,

Dated: January 20, 2015

/Jill M. Pietrini/

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CERTIFICATE OF ELECTRONIC TRANSMISSION

I hereby certify that this correspondence is being transmitted electronically to Commissioner of Trademarks, Attn: Trademark Trial and Appeal Board through ESTTA pursuant to 37 C.F.R. §2.195(a), on this 20th day of January, 2015.

/s/Lynne Thomspon
Lynne Thompson

CERTIFICATE OF SERVICE

I hereby certify that this correspondence is being deposited with the United States Postal Service as first class mail in an envelope addressed to:

Lori S. Kozak
Blakely Sokoloff Taylor & Zafman LLP
12400 Wilshire Blvd., 7th Floor
Los Angeles, CA 90025

on this 20th day of January, 2015.

/s/Lynne Thomspon
Lynne Thompson

SMRH:435983163.1